RESEARCH HIGHLIGHTS

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HOUSING NEEDS OF LOW INCOME PEOPLE LIVING IN RURAL AREAS: THE IMPLICATIONS FOR SENIORS

Introduction

Housing Needs of Low-Income People Living in Rural Areas was prepared for Canada Mortgage and Housing Corporation and the Canadian Rural Partnership. Research Highlight 116 summarizes this work. The study team analyzed rural households, especially those with low income, and profiled their housing situations in terms of type, tenure, needs, opportunities and barriers. Several aspects of the housing situation in small towns and rural areas have an impact on seniors (people age 65 and over). From a community development perspective, the presence of a large proportion of seniors and the provision of the services that they need was found to be beneficial not only to seniors, but to the local economy as a whole.

Methodology

Three methods were used in this study. A review of literature on rural housing, an analysis of statistics from the Census and CMHC's *Housing in Canada* database, and 12 case studies. The case studies included a review of local documents and interviews with key informants such as local government staff and elected officials, community health care workers, housing authority managers, real estate agents and non-profit organizations, among others.

The results of the combined methods provide an effective portrait of rural housing. However, there were limitations: it was found that there is little literature on rural housing in Canada, the census data was somewhat out of date (1996), and the methodology employed for the case studies did not include household interviews.

Findings

Seniors in Rural Communities

Statistics Canada defines 'rural and small town' as the population living outside the commuting zone of urban centres with a population of 10,000 or more.

According to the Census, 1,556,815 Canadian households were located in rural areas in 1996. Of these, 383,735 were senior households. Seniors play an important role in rural communities. The growth of the seniors population in many areas is the result of a naturally aging population combined with three types of older in-migrants: urban people retiring to a rural setting; farmers and others from outlying areas coming into town to live; and people retiring to the towns where they grew up. The exceptions to this trend are communities lacking housing and services for seniors, and communities in the far north.

Characteristics of Rural Housing Markets

The housing markets in rural communities differ from urban markets in several ways, many of which affect seniors. Ownership is the predominant form of tenure in rural Canada (82 per cent in rural vs. 64 per cent in urban areas). Manufactured housing is acceptable in many communities and constitutes the bulk of new housing in some.

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Housing for rent typically includes single detached houses, duplexes, secondary suites or small apartment buildings. New rental housing is not economically feasible in most rural markets for several reasons: small local markets, risky economic conditions, and a limited construction industry. The lack of supply or choice in the rental market affects not only low income people but can also inhibit moderate income in-migrants and economic growth.

The availability, choice and cost of housing for people as they age is obviously important to them personally. In addition, the availability, affordability and quality of housing for the people working in health care, retail and other services is important to both seniors and to the well-being of the local economy.

Housing Challenges for Rural Seniors

Across the country, rural seniors face several housing challenges, especially if they have low income:

Cost of Shelter: Remarkably, rural owners and renters (of all ages), regardless of income, pay very similar average amounts for their shelter. Households which were not in need in 1996 had an average income of $47,794 and paid an average of $495 per month in shelter costs. Households in need, on the other hand, had an average income of $15,156 and paid an average of $487 per month for shelter. The shelter cost difference between those in need and those not in need was thus $8 per month, despite a $32,638 per year difference in income. Among rural households in 1996, 10.9 per cent of senior owner households and 34.7 per cent of senior tenant households were in core housing need. This compares to 10.1 per cent and 29.0 per cent respectively for non senior households.

Maintenance and Utilities: The stock of housing in rural areas is older, on average, than it is in urban areas. Twenty-nine per cent of rural Canadian dwellings were built before 1941. This presents a challenge for seniors in terms of the need for, and the cost of repairs and maintenance. Both owners and tenants face high heating and utility bills in older, poorly insulated dwellings. Both these conditions are extreme in the north.

Transportation and Access to Services: For everyone, but especially for seniors, transportation and access to services in rural areas is more difficult than it is in urban areas, partly because of the lack of public transport. Possessing and maintaining a car and the ability to drive it (or relying on family and/or volunteers) are necessities to get to shopping, medical visits and social events. Statistics Canada's Rural and Urban Household Expenditure Patterns for 1996 indicated that transportation costs are 15 per cent of total household expenditures in rural households and 12 per cent in urban households.

Case Studies--Seniors in a Typology of Rural Communities

In the analysis of the selected case study communities, it became apparent to the researchers that there were several types of rural communities, varying by the nature of their local economies, rate of growth or lack of it, population characteristics and location:

Growing Communities

Brooks, Alberta,	Seniors: 10.8% of the population
Kingston-Greenwood, Nova Scotia	Seniors: 10.5% of the population

These communities are close to major highways and urban centres. Their population is growing, fueled by new economic activity with new high paying jobs as well as low wage service sector and industrial jobs. Affordable housing becomes a serious issue. New housing is needed to bridge the gap between rising rents and low wages. In this type of community, low income senior residents can find themselves priced out of the new market and have difficulty finding appropriate affordable rental housing. However, if long term senior residents are selling a home they have owned for many years, it may have significantly increased in value.

Growing communities act as service centres for their region. For seniors, this provides access to a range of health and other services. On the other hand, since seniors are a smaller proportion of the population and therefore less visible, the development of assisted living and care facilities may not keep pace with growth. There were indications that some seniors stay in isolated and/or deteriorating homes in the outlying rural areas for much longer than is healthy.

Stable or Slow Growth Communities

Saint-Fabien-de-Panet, Quebec	Seniors: 17.9% of the population
St. Stephen, New Brunswick	Seniors: 18.3% of the population
Port Elgin, Ontario	Seniors: 9.7% of the population

In stable or slow growth communities, local industry provides a level of stability but little growth. Many young people leave for education and jobs. Seniors stay. In addition, urban seniors have retired to these small towns or their nearby cottages. Older residents thus form a large, and important, part of the population and are significant contributors to the local economy. They also have a range of housing and support needs.

Because of their high numbers, and in response to rising demand, a range of home support services are available. Assisted living, however, is not available in all communities and, where it exists, is not affordable to many who need it. For some low income seniors, their houses are, according to one informant, 'sucking the life out of them' as they worry about their homes and try to pay for repairs, utilities and maintenance.

In keeping with a rural tradition of 'making do', seniors living on very low incomes in substandard dwellings are often too proud to seek help and prefer to 'grin and bear it' rather than seek assistance. "They would rather get carried out of their homes feet first than go into a government-run institution."

Declining Communities

Maniwaki, Quebec	Seniors: 15.4% of the population
Marystown, Newfoundland	Seniors: 6.7% of the population
Wawa, Ontario	Seniors: 8.5% of the population

These communities have experienced the boom and bust economic cycles typical of resource or one industry towns. As a result of declines in their major industry, they have a declining and aging population. The remaining jobs are primarily low wage service positions. As a result, some family members may leave the community for work. Other families break up. Household size becomes smaller and single parents find themselves living in extreme poverty.

Seniors stay on until they need support services. Although there is housing for seniors, other services may not be available locally. When further assistance is needed, many seniors move to major centres.

Bedroom Communities

Mississippi Mills, Ontario Seniors 11.7% of the population

Traditionally, this community, like others of its type, was the centre of a largely agricultural community. Suburban development is steadily eroding the agricultural base as the commuting area of nearby Ottawa expands. Not only commuters have moved to the area. Businesses and professionals with ties to the city have also relocated. Significantly, a number of retirees and 'pre-retirees' have migrated to the municipality with strong government pensions.

Although this influx of new residents and business is economically beneficial, increasing housing costs are making it difficult for lower income people to remain in the community. No new rental housing has been built for over a decade. Secondary suites and rental units in converted older homes are being lost to the rental market as they are renovated and restored to single family dwellings. These trends leave lower income people with fewer choices and higher costs.

Home support services are available to seniors who need some assistance. However, the elderly population is growing faster than the budgets of service providers. Volunteers make up some of the gap, but there are concerns about the long term viability of relying on unpaid work, especially the unpaid work of aging volunteers. This issue will only grow more serious over time. The higher income new retirees are aging at a time when low wage service workers (who provide essential services to seniors) are being pushed out of the housing market by rising prices, high rents and low vacancy rates.

For low income seniors, maintaining their homes is a challenge. Some have used RRAP funding from CMHC but it is not advertised widely and is not well known in the area. If they sell their homes, they will then be competing with low wage workers for scarce rental housing.

Retirement Communities

Preeceville, Saskatchewan	Seniors: 38.3% of the population
Russell, Manitoba	Seniors: 26.2% of the population

These retirement communities are not nationally famous magnets for migrating retirees, but local centres in rural areas where farmers 'move in to town' to take advantage of easier access to services and activities. Young people are leaving these communities and the total population is declining. Over one third of the population is age 55 or over. The towns offer a hospital, other health care, home care, and seniors housing as well as town amenities, restaurants, etc. Although professional and skilled jobs pay well, there are still many people earning low wages in service occupations.

Most housing is owned (90 per cent) in Preeceville and new housing is RTM (ready to move) bungalows or two storey houses set on a foundation. Modestly priced housing and rental units are available in land lease communities (locally known as 'trailer parks') and in secondary suites.

Local seniors housing developments are full and have waiting lists. The residents of seniors' housing have aged in place and now require higher levels of care than the facilities were planned to provide. Waiting lists for seniors housing are about four years long. Some new housing has been built and other projects are being considered, but they would not be affordable for low income seniors.

Northern Communities

Coral Harbour, Nunavut	Seniors 65 and over: Less than 1% of the population Elders 55 and over: Less than 8% of the population

This northern rural community is small (population 712), young, and characterized by large and growing families, little economic opportunity and pervasive poverty. Movement in and out of the community, except for government employees, consists of family members who go off to work for a while then return. In the north, the local economy and employment is concentrated in local and territorial government, the school, health centre, stores, the housing association, hunting, guiding, tourism and crafts.

Most housing in the community is provided under three territorial and federal programs or it is staff housing for government employees. Market housing is not feasible either to build or operate. Seven new units are planned, while 23 families are on the waiting list. In this remote location a household needing accommodation cannot simply go to the next town.

A person is considered an elder at age 55. Most seniors live with family. However there is a growing number of seniors needing housing with support services. Some need the 24 hour monitoring that would be available in an assisted living environment. A home care program is being introduced and it is hoped that this may help meet needs to a certain extent.

Responding to Changes and Challenges

The following examples show how rural communities are responding to the aging of the population and the housing needs of their seniors in many ways.

Land and land assembly: Where communities have had a supply of affordable serviced land, they have made it available at minimal cost for seniors' housing. Local government has also assembled and serviced land to provide opportunities for development.

Financial incentives: Where land was not available, incentives and grants have been offered to offset infrastructure costs and to improve affordability.

Conversion of non-residential buildings to residential use: Developers and/or local non-profit organizations have converted church, convent, hotel or commercial properties to seniors housing.

Zoning: Zoning has been changed to accommodate more multiple unit housing.

Non profit organizations have traditionally been providers of seniors housing and care. They are continuing with new models of housing such as Life Lease, new assisted living facilities and expanded home care services.

Conclusions

Seniors play an important role in both the housing market and the local economy in many types of rural communities. Access to services is the key to keeping and/or expanding the number of seniors in a rural community. A choice of housing types and prices is also important—both for seniors and for the younger people who provide the services which enable people to stay in and enjoy rural communities.

The housing situation in rural areas presents some challenges for seniors. Most rural seniors own their homes and those homes are older. Maintenance, utilities and transportation can be costly for all rural residents, especially seniors. If seniors wish to move from their homes they face the problem of finding suitable, affordable rental accommodation. As they age they can find it difficult to access the services they need, and the community may struggle to provide sufficient service to an aging population.

Rural communities have some distinct advantages in terms of housing as well. Many communities have affordable land available, buildings which can be converted or other opportunities for new seniors housing. New manufactured homes are often welcome. Especially in stable, slow growing and retirement communities, seniors are recognized as a valuable part of the local social life and economy—as residents and as generators of stable employment.

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Research Report: *Housing Needs of Low Income People Living in Rural Areas* is available from CMHC

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Housing Research at CMHC

Under Part IX of the *National Housing Act*, the Government of Canada provides funds to CMHC to conduct research into the social, economic and technical aspects of housing and related fields, and to undertake the publishing and distribution of the results of this research.

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